



2016 CDBG RFP: Supplemental Proforma

Department of Metropolitan Development
August 18, 2015

Quick Remarks



- **MUTE YOUR PHONES!** If you are on via a phone number, then please mute your phone to ensure you are not disrupting the presentation.
- Questions can be inserted into the chat box and will be reviewed at the end of the presentation. Feel free to insert questions as you go.

Introductions



- **Jeff Hasser – CDBG Manager**
- **Jennie Fults - Administrator**
- **Chase Schulte – CDBG Coordinator**

Applicants



- **The supplemental proformas only apply to projects applying in the 2016 CDBG RFP round that:**
 - Will generate a significant revenue stream over the course of the project
 - Small business projects
- **Applicants that do NOT need to fill this out:**
 - Public Service Projects
 - Homeowner Repair Projects
 - Projects that generate no revenue or not a significant or consistent amount (Example: Parks, Transitional Housing, etc.)
 - Rental/Housing: projects proposing a loan will be asked to submit their own rental/housing proforma to show ability to support a loan
- **Any of the applicants who are not required to fill it out, do not need to attend this webinar.**
- **Not all projects will work with these tools. Please reach out to DMD staff if you want to know if you should complete the proforma tools in addition to your application.**

Why do I need to fill this out?



- **Housing and Urban Development has asked DMD to begin to structure more projects as loans.**
- **CDBG funding allocation are being decreased each year.**
- **New tool to prevent over subsidy and increase the number of projects CDBG can help fund.**

Loans & CDFI/Loan Fund



- **DMD's goal is NOT to replace or undercut traditional bank loans or Community Development Financial Institutions (CDFI) and Loans Funds.**
 - Applicants will be asked to submit either a Denial Letter or a Letter of Interest (LOI), including terms, from a CDFI/Loan Fund to show that the applicant has engaged in conversations and is eligible for their loan products.
 - Applicants with an LOI must show why CDBG is a better alternative to the CDFI/Loan Fund outside of CDBG offering potentially better rates.
 - Short time frame for underwriting may be used as an acceptable rationale for not using CDFI/Loan Fund as a source.
 - CDFI/Loan Fund: Community Investment Fund of Indiana, Mt. Zion Federal Credit Union, INHP, Build Fund (King Park), LISC and more.

Economic Development Proforma



- **Completed in ADDITION to the CDBG RFP Application Word Document. Both the Application and Proforma will be needed.**
- **Best used towards small businesses that are looking to expand current operations or new businesses.**
- **Applicants should engage in conversations with private lending institutions as well to see their private financing options and to provide information to develop the application proforma.**

Terms



- **Terms will be proposed in the CDBG RFP application by the applicant. The City will not have any terms required by the applicants outside of a balloon payment of the remaining balance within 5 years of stabilization. CDBG funds are not intended to provide long term financing.**
- **Position – The City will be anticipated to take a secondary or later position depending on the deals.**
- **Payments will be expected to be deferred until project is stabilized (generally year 2).**
- **Forgivable loans may be proposed based on reaching additional benchmarks. Approved on a case by case basis. Example: 10 proposed jobs, 30 additional created without public resources used.**
- **Applicant can propose rates, but will be subject to approval by DMD staff.**

Cover Page



- **Only complete the yellow boxes!**
- **Some repetitive information from the CDBG RFP application.**
- **Includes estimated Collection Terms, Payment Terms, Payroll Cycle, and Inventory Cycle.**
- **Required Documents:**
 - **Audited Financial Statements**
 - **LOI or Denial Letter from an existing CDFI**
 - **LOI for any permanent financing**
 - **Additional supporting documentation to support Balance Sheet and/or Profit & Loss.**
 - **Owner/CEO Resume**

Balance Sheet



- Only complete the yellow boxes!
- Balance sheet should be completed by the prospective business and the co-applicant.
- Existing businesses should provide a minimum 2 years of prior financials and 2 years of projections.
- New businesses should provide 3 years of projections.

Profit & Loss Statement

- Complete only the yellow boxes!
- Complete the line items for the columns from the same number of years and order from the balance sheet.
- If applicants have a question about a particular line item, please send an email to jeff.hasser@gmail.com



Sources and Uses

- **Complete only the yellow boxes!**
- **Information should mimic the information submitted in the CDBG RFP Application**

Personal Financial Statement

- **Please have business applicant include the information to the best of their ability. Additional supporting documentation may be provided.**

Questions?



Thank you



Since this is a new tool being used, we are open to feedback and suggestions for future years on ways to improve the process and ensure that funds are being used to the best and easiest means possible.